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BEFORE THE INDIANA GAMING COMMISSION

PUBLIC MEETING

RECEIVED

MORNING SESSION

JUL 12 1995

TRANSCRIPT OF PROCEEDINGS INDIANA GAMING COMMISSION

DATE: June 30, 1995

PLACE: Westin Hotel, Grand Ballroom V
50 S. Capitol Avenue
Indianapolis, Indiana

REPORTED BY: James E. Shirey, Notary Public, RPR

MEMBERS OF THE COMMISSION

Alan I. Klineman, Chairman
Thomas F. Milcarek
Robert W. Sundwick
Dr. David E. Ross, Jr.
Donald R. Vowels
Ann Marie Bochnowski

ALSO PRESENT

John J. Thar, Executive Director,
and Members of the Staff

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I N D E X

<u>TOPIC OF DISCUSSION</u>	<u>PAGE</u>
Consideration of Renewal of Certificate of Suitability for Trump Indiana, Corp.	3
Consideration of Renewal of Certificate of Suitability for Barden/PRC-Gary, LLC	20
Consideration of Renewal of Certificate of Suitability for Aztar Indiana Gaming Corp.	52
Supplemental Material Received Since 6/19/95	66
Granting Certificate of Suitability within the confines of Switzerland, Ohio and Dearborn Counties	69

1 ... After the Call to Order and
2 Roll Call, Report of the Executive
3 Director and Old Business, at 9:10 a.m.,
4 the following proceedings were had:

5 CHAIRMAN KLINEMAN: We will now
6 move into the item of New Business on our
7 agenda.

8 The first item is Consideration of
9 Renewal of the Certificate of Suitability
10 for Trump Indiana, Inc.

11 I presume Mr. Tabbert will present
12 that matter to the Commission.

13 MR. TABBERT: Thank you very much,
14 Mr. Chairman, members of the Commission.

15 CHAIRMAN KLINEMAN: Do you want to
16 identify yourself?

17 MR. TABBERT: I will. I was about
18 to do that. Don Tabbert, counsel for
19 Trump. Nick Ribis, who's the CEO of
20 Trump. Pat Dennehy you all know, and Bob
21 Pickus (phonetics) the general counsel is
22 here. These are the people that will be
23 answering questions that you might have.

1 We have 15 minutes allotted time,
2 and I want to give to you 10 points that
3 we believe justifies the renewal of the
4 Certificate of Suitability.

5 Point No. 1. You have received
6 from us a written list of what has
7 occurred from December the 9th, through
8 and including April the 30th. Actually
9 going into May. It's a large number of
10 items which show constant and continued
11 effort on the part of the Trump
12 organization. It's very, very
13 substantial. After that period, I want
14 to address by going to the next nine
15 points.

16 So Point No. 2 is that Trump has in
17 fact placed in escrow with Chicago Title
18 the entire 13.5 million purchase price
19 pursuant to the Agreement of Sale with
20 Lehigh, and this was done over a week
21 ago. It's going to acquire the
22 approximately 90 acres of Buffington
23 Harbor, and presently we can inform you

1 that these documents have all been fully
2 negotiated and executed by Trump and
3 Lehigh. All the documents are signed.

4 The final document that's involved
5 in the transaction is a Stipulation of
6 Dismissal to come from the City of Gary,
7 which is to be given immediately to the
8 Trump organization.

9 The next, Point 3. On June the
10 16th, 1995, Trump made the initial 2.4
11 million dollar payment pursuant to the
12 construction of Sale Agreement with
13 Atlantic Marine, Inc., for the
14 construction of the 24 million dollar
15 gaming vessel to be utilized by Trump for
16 its Gary riverboat project. It's a 290
17 foot yacht style vessel with over 35,000
18 square feet of casino space, scheduled
19 for completion, that we can tell you, in
20 the first quarter of 1996. We believe it
21 will be in February of 1996. That's the
22 estimate we have, and it's a good
23 estimate. It's a solid estimate. And

1 right now, as soon as that construction
2 is completed, subject to whatever,
3 weather or geographical limitations that
4 might be present, we are ready to open.
5 We would be ready to go forward. We have
6 been talking for a long time about the
7 first three months. I think we're
8 talking about the end of March and the
9 early part of April. That's a very solid
10 statement. It's not just speculation.

11 The next point. We continue to
12 procure the permits and approvals
13 necessary to construct the water base and
14 land side improvements necessary for the
15 project, specifically with the Coast
16 Guard, on harbor design, and an amendment
17 to the pending Army Corps. permit. It's
18 ready to be filed today, and it will be
19 actually filed as the closing takes
20 place.

21 Next point. Trump has conducted
22 numerous interviews for senior management
23 positions; expects to make appointments

1 within the next month. Trump has also
2 participated in the Readiness Agreement
3 Process developed by the City of Gary.

4 Next, Trump has leased and is
5 actually going through renovation now of
6 corporate offices on the Industrial
7 Highway in Gary; expect to open almost
8 immediately. It's right across from the
9 airport.

10 Next point is that on May 27, 1995,
11 Trump entered into a Memorandum of
12 Understanding with the City of Gary.
13 Pursuant to that, Trump paid the city
14 \$205,000, you may remember that figure
15 had been bounced around for quite
16 sometime, to reimburse the city for
17 expenses incurred by it in the licensing
18 process.

19 Again, we make reference to the
20 fact that the Stipulation of Dismissal of
21 the condemnation proceedings, we are
22 anticipating is taking place and will be
23 handed to us today.

1 Next point. Huber, Hunt & Nichols
2 have been employed by Trump as our
3 Construction Manager. That's effective
4 right now.

5 Next, we have hired a Director of
6 Naval Operations which will take care of
7 overseeing the construction of the boat;
8 the staff with regard to the boat.
9 Basically everything relating to the boat
10 we're talking about under that category,
11 that person has been hired and is ready
12 to go.

13 Next, with regard to the investors
14 and the foundation, and regarding the
15 individual investors, and regarding the
16 foundation at seven and a half percent in
17 each of the categories.

18 With regard to the individual
19 investors, we are continuing our
20 discussions to formulate a capital
21 structure consistent with the new IPO
22 that will allow the original local
23 investors. Nobody is backing off from

1 it; that we are going ahead with those
2 investors.

3 With regard to the foundation, we
4 also have an unconditional commitment
5 with regard to that foundation. And as a
6 result of a change, we are right now
7 reviewing the appropriate corporate
8 structure that will be consistent with
9 the IPO.

10 Those are the 10 points that we
11 wish to submit which we believe
12 constitute a very substantial effort on
13 the part of the Trump organization.

14 I'm sure you all are aware, we
15 don't need to repeat it, the fact that it
16 would have been nice to have gone forward
17 a little sooner. Frankly speaking, I
18 don't know how that could have happened
19 as a lawyer dealing with the three
20 entities that we have to deal with.

21 I will be glad to answer any
22 questions, but the people who are here
23 may also be able to respond to any

1 questions that you have. Thank you, Mr.
2 Chairman.

3 CHAIRMAN KLINEMAN: Thank you, Mr.
4 Tabbert. Dr. Ross.

5 DR. ROSS: You had indicated, Trump
6 had indicated earlier that they would do
7 something to the exit off of the highway.
8 How is that scheduled? Is that scheduled
9 early or late?

10 MR. RIBIS: Dr. Ross, I can address
11 that. Nicholas Ribis, on behalf of Trump
12 Indiana.

13 As part of our plan construction,
14 we are going to, from the exit ramp,
15 Cline Avenue directly out to the site.
16 That's all part of our renovation plan
17 for our opening next year. And Huber,
18 Hunt & Nichols will be monitoring that as
19 Construction Manager.

20 CHAIRMAN KLINEMAN: Any other
21 questions?

22 MS. BOCHNOWSKI: Can you elaborate
23 a little bit on the foundation? Is that

1 going to be funded at the same level?

2 MR. RIBIS: It will be-- Trump
3 Indiana is a wholly owned subsidiary. So
4 there's no confusion, Trump Indiana has
5 its own funding, its own source of
6 funding, and the money is captured at the
7 Trump Indiana level, so there is no
8 question that it will be right through
9 the Trump Indiana, the same seven and a
10 half percent that we talked about
11 earlier.

12 MR. TABBERT: No question about
13 both categories.

14 CHAIRMAN KLINEMAN: Anything
15 further? Mr. Thar?

16 EXECUTIVE DIRECTOR THAR: How close
17 are you to the closing on the Lehigh
18 property?

19 MR. RIBIS: Well, my people have
20 worked on that. As you know, it's very
21 complex. Every document is completed,
22 executed and completed. The money is in
23 escrow. The Stipulation of Dismissal

1 which the city agreed to hand over to us
2 when that happened, May 27th in their
3 agreement with us, we understand that
4 that should be done today. It's
5 important that it done today because we
6 are filing our application before noon
7 today with the Corps. of Army Engineers
8 for the modification to the harbor, so we
9 don't lose any time on that.

10 EXECUTIVE DIRECTOR THAR: From your
11 prospective and from Lehigh's
12 prospective, then there's only one
13 document lacking?

14 MR. RIBIS: Every document has been
15 executed. We are finished with Lehigh.

16 EXECUTIVE DIRECTOR THAR: But you
17 can't close until you get the Stipulation
18 for Dismissal.

19 MR. RIBIS: The condition to
20 proceed obviously by Lehigh, is that the
21 city, contemporaneously with the closing,
22 would turn over the stipulation. The
23 agreement, I think the Commission has a

1 copy.

2 MR. TABBERT: Mr. Thar, we assumed
3 that the Stipulation of Dismissal would
4 be here signed this morning.

5 EXECUTIVE DIRECTOR THAR: The city
6 is here, so we will be able to ask them.

7 CHAIRMAN KLINEMAN: Could you just
8 briefly outline the harbor plans that you
9 have, and have they been okayed by
10 anyone?

11 MR. RIBIS: Obviously we have been
12 meeting with the Corps. of Army
13 Engineers. We are going to have a
14 temporary harbor right where Lehigh is.
15 We have come to an agreement with them as
16 to the modifications that are necessary,
17 what we consider a minor modification to
18 the harbor. We have a permanent harbor
19 which will run concurrently, but our
20 transaction permits us to stay for at
21 least 10 years, if necessary, in the
22 temporary harbor. We obviously want to
23 build our new harbor next to it, which

1 will require the Corps. of Army
2 Engineers, and sometimes that takes
3 longer than two years, but we are going
4 to start that process as soon as we
5 receive our modification permit. Lehigh,
6 in a document, has agreed to cooperate
7 fully with us on that.

8 We have come to an agreement as to
9 what the temporary harbor design will
10 be with Lehigh. So there's no question
11 we have a harbor agreement signed with
12 Lehigh so that we can commence that
13 application today.

14 CHAIRMAN KLINEMAN: You will be
15 grading sheltered waters?

16 MR. RIBIS: Yes. Sheltered
17 waters. Correct. Yes.

18 CHAIRMAN KLINEMAN: The only other
19 thing I think I have, is could you just
20 briefly outline for the public the amount
21 of money that's being made available to
22 the Gary project out of the IPO?

23 MR. RIBIS: Sixty million dollars,

1 fifty-nine million, 60 million dollars.

2 In addition to that, there is
3 certain financing that's available to us,
4 equipment financing on our machinery and
5 also our boat, so we feel comfortable
6 that 75 million dollars, plus or minus is
7 going to be what the project is going to
8 look like when it gets completed by next
9 year.

10 CHAIRMAN KLINEMAN: And I presume
11 you are aware that this Commission
12 requested and did receive a personal
13 undertaking from Mr. Trump?

14 MR. RIBIS: Yes.

15 CHAIRMAN KLINEMAN: That he would
16 see personally that the monies were
17 available to complete the Gary project?

18 MR. RIBIS: Yes. He still has a
19 personal undertaking. I know that there
20 was some press comment on that recently,
21 and it's just not accurate. There is a
22 personal undertaking. I will acknowledge
23 that here today again, and I don't think

1 there is any question that we wouldn't
2 have put thirteen and a half million
3 dollars in escrow to close on the land if
4 we weren't going ahead.

5 MR. TABBERT: Mr. Chairman, while
6 Mr. Ribis, Mr. Pickus and Mr. Dennehy
7 were up in Gary yesterday for two or
8 three days, I spoke personally with Mr.
9 Trump yesterday afternoon, and he
10 reaffirmed his commitment on the very
11 point you raised.

12 CHAIRMAN KLINEMAN: Well, we do
13 have it in writing.

14 MR. RIBIS: We have it in writing
15 which is even better.

16 CHAIRMAN KLINEMAN: I'll take it in
17 writing. They taught me one time it's
18 more effective.

19 ... Laughter.

20 Anything else?

21 MR. MILCAREK: The boat that you
22 are going to have on 2/96, that's a
23 permanent boat, not a temporary boat?

1 MR. RIBIS: Yes. We had an option
2 over here on the Glowmar (phonetics), but
3 because of the timing of the project, as
4 you know, things got pushed back, and you
5 know Mr. Trump wants the biggest and the
6 best with his name on it, so we went out
7 and contracted with Atlantic Marine for
8 the largest vessel of this type, which is
9 under construction now. It will be
10 completed sometime in January or
11 February.

12 And as you know, as Mr. Tabbert has
13 said, we have hired a Naval Marine
14 Director of Operations, and he's down in
15 Jacks (phonetics) overseeing the
16 construction, and Mr. Trump has been
17 personally involved in that process, so
18 that's the reason why we decided to go
19 for the larger permanent vessel now
20 rather than going to a temporary vessel.

21 MR. MILCAREK: One other question.
22 The money that you have reimbursed the
23 city, the \$205,000, was that the total

1 bill, or is that going to be split with
2 your partner?

3 MR. RIBIS: I think it was half and
4 half. We have submitted our two hundred
5 and five thousand.

6 MR. TABBERT: Correct.

7 CHAIRMAN KLINEMAN: The record
8 should show that there is an agreement
9 which has been filed with the Commission
10 between the Trump organization and the
11 City of Gary that you alluded to, and
12 it's made a part of our permanent
13 record.

14 Mr. Thar, do you have anything
15 further?

16 EXECUTIVE DIRECTOR THAR: No, I
17 don't.

18 CHAIRMAN KLINEMAN: Do you have any
19 suggestions on time frame for extension
20 of Certificate of Suitability?

21 EXECUTIVE DIRECTOR THAR: It would
22 depend in part I suppose on when the
23 Commission wants to hear from the city

1 before it acts on this one, and my
2 recommendation would be if the Commission
3 is comfortable with it, that it be six
4 months from the date the original
5 certificate expired.

6 CHAIRMAN KLINEMAN: That would put
7 us back at December 15?

8 EXECUTIVE DIRECTOR THAR: Yes.

9 CHAIRMAN KLINEMAN: Anyone else
10 have anything further?

11 I understand Mayor Barnes is
12 present; is that correct?

13 EXECUTIVE DIRECTOR THAR: We were
14 told that, that he just arrived.

15 CHAIRMAN KLINEMAN: Mayor Barnes,
16 welcome. Do you have any comments
17 concerning the Trump request at this
18 time?

19 MAYOR BARNES: I understand that--

20 CHAIRMAN KLINEMAN: Would you
21 identify yourself just for the record?

22 MAYOR BARNES: Thomas Barnes. And
23 I understand that both companies will be

1 making presentations, and I would like to
2 reserve comments until after those
3 presentations have been made.

4 CHAIRMAN KLINEMAN: Well, we have
5 been trying to handle this separately,
6 but we will entertain your request for
7 further comments.

8 If we have nothing further, no
9 questions further from the Trump
10 organization, we will now move into the
11 Barden President, which is the next item
12 on our agenda: Consideration of Renewal
13 of the Certificate of Suitability for
14 Barden/PRC-Gary, LLC.

15 I see Mr. Barden and Mr. Ellers
16 here.

17 EXECUTIVE DIRECTOR THAR: Mr.
18 Chairman, if I may. Handed to me by Mr.
19 Barden about 10 minutes ago, is a letter
20 and a request, that probably a discussion
21 will ensue of Mr. Barden.

22 CHAIRMAN KLINEMAN: When this
23 Commission sets the deadlines we do get

1 things moving, don't we?

2 Mr. Thar has just handed us a
3 correspondence signed by Mr. Ellers,
4 dated June 29th, but we received it this
5 morning.

6 I guess Mr. Ellers, if you would
7 state your name, if you could briefly
8 tell us what this agreement concerns and
9 how it fits into the matter we have
10 before us.

11 MR. ELLERS: My name is Edward
12 Ellers, President of the President
13 Riverboat Casino dash Indiana, Inc..

14 You are correct, Mr. Klineman, I
15 guess I learned a long time ago when
16 somebody said to me that the lawyers eat
17 until they run out of food, so we ran out
18 of food this morning.

19 President Casino has disclosed in
20 its 10-K and has had discussions with the
21 staff periodically, has signed an
22 agreement this morning proposing to
23 transfer its interest in the Gary project

1 to Don Barden, and things related to Don
2 Barden so Mr. Barden can take over the
3 project.

4 In connection with the agreement,
5 we have given Mr. Barden several options
6 in terms of the boat; in terms of
7 management; in terms of other things so
8 that this project can keep moving under
9 his guidance.

10 For example, we have offered him
11 the use of the boat, the New Yorker, so
12 that he can be in operation as quickly as
13 possible, or at his option, he can put
14 the boat back to us. We will take the
15 boat back, either way, he can have it his
16 way.

17 In addition, with respect to
18 management, we said to Mr. Barden that if
19 he has somebody that he wants to manage
20 this project that's acceptable to this
21 Commission and approved by this
22 Commission, that that person-- we would
23 step aside and that person could manage

1 the project. If Mr. Barden is unable to
2 find somebody within the time frame
3 required, we would be willing to act as
4 the manager at a market compensation not
5 to exceed 4 percent.

6 So we would be able to stand with
7 Mr. Barden; meet with Mr. Barden, and Mr.
8 Barden would assume the financial
9 obligations and retain more of the
10 ownership position in this project.

11 We feel that is in the best
12 interest of our shareholders. Mr. Barden
13 feels that is the best, not only for him,
14 but for the project, that essentially is
15 what this agreement is about.

16 CHAIRMAN KLINEMAN: Okay. Any of
17 the Commissioners have any questions
18 concerning this matter? Mr. Barden is
19 here present, and I assume he could
20 answer questions if you had any.

21 EXECUTIVE DIRECTOR THAR: Mr.
22 Barden, would you give us your
23 prospective of what Mr. Ellers has just

1 related to the Commission?

2 MR. BARDEN: Yes. Honorable
3 Chairman and members of the Commission.

4 Mr. Ellers adequately expressed
5 where we are in this situation. I am
6 fully prepared to undertake the project,
7 and with the options that President
8 Companies have made available to us with
9 respect to the boat, and the offer of
10 their management of either permanently or
11 on an interim basis is very adequate for
12 me to proceed.

13 As all of you know, I do have all
14 of the money in cash in the bank to
15 proceed with the project, and I'm willing
16 to invest whatever is necessary as I
17 expressed before, to make this project
18 happen.

19 The extension of the certificate is
20 important to me. I would ask and request
21 that it be granted for the six months.

22 I would also like, if you would
23 like, to get back to you relative to my

1 decision on whether or not I will utilize
2 the present management or substitute them
3 for someone else. But be assured, that
4 whatever I do, we'll have your prior
5 approval before it is implemented or
6 done.

7 I have also brought along a check
8 for the remaining balance of the
9 \$255,000, which on our account is a
10 hundred and I think ninety-five thousand
11 dollars to deliver to the city for
12 reimbursement of their expenses.

13 As you know, between President
14 and myself, we have spent a tremendous
15 amount of money. I personally funded the
16 harbor design; I conceived and negotiated
17 the Settlement Agreement with Lehigh; I
18 was stymied the last couple of months, I
19 couldn't finalize it, but the Trump
20 organization took it up and did finalize
21 it. We have talked with the Trump
22 organization. We have reimbursed them
23 for our half of the purchase price. I

1 got the documentation and talked to
2 Donald yesterday, and I am excited about
3 moving forward now that these things are
4 complete, like I have always done in the
5 past to make them happen.

6 CHAIRMAN KLINEMAN: Thank you.
7 Anyone have any questions of Mr. Barden?

8 EXECUTIVE DIRECTOR THAR: Mr.
9 Barden, are you prepared to step in and
10 fund 50 percent of the purchase of
11 Lehigh?

12 MR. BARDEN: Yes, I am.

13 EXECUTIVE DIRECTOR THAR: How soon
14 are you prepared to do so?

15 MR. BARDEN: As soon as I get all
16 the documentation and have my attorneys
17 review them. I would imagine those
18 documents will be forwarded to me
19 immediately, so within a reasonable time
20 thereafter I will fund our half.

21 EXECUTIVE DIRECTOR THAR: If I
22 understand correctly, the President is
23 requesting this Commission today to allow

1 them to transfer their ownership to you.
2 They made a recommendation as a part of
3 that, that you would be individually as
4 of today, financially responsible for
5 that project, and you are indicating to
6 this Commission that you are, that you
7 will willing to undertake that
8 obligation?

9 MR. BARDEN: Yes. I, along with any
10 other funds I may borrow. I may consider
11 bringing in another investor. I have a
12 tentative agreement with a very major,
13 major investor, and I am authorized to
14 disclose it, but probably won't take
15 advantage of the business prospective
16 until I have it signed, sealed and
17 delivered to announce it. But yes, in
18 one word, the answer is yes. I will see
19 to it from my own funds, and others if
20 necessary, to fund this project. I have
21 cash in the bank, not in the stock
22 market. Treasury bills, CD's, other
23 monies reserved for this purpose.

1 EXECUTIVE DIRECTOR THAR: You at
2 one point in time made a representation
3 that that amount would be in the area of
4 one hundred million dollars that you had
5 available to you.

6 MR. BARDEN: I said that's what I
7 had in cash, but in terms of this
8 project, the project called for President
9 to invest 20 to 30 million dollars. I
10 have set aside that money. That's what
11 we had budgeted; that's the initial cash,
12 plus the boat, so if you want a specific
13 amount, I would tell you 30 million
14 dollars.

15 EXECUTIVE DIRECTOR THAR: You have
16 presently in cash set aside for this
17 project?

18 MR. BARDEN: Yes.

19 CHAIRMAN KLINEMAN: And I guess in
20 just briefly reviewing or flipping
21 through the agreement which has been
22 delivered to us, I see you signed it in
23 several places on behalf of several

1 entities. The representations you just
2 made to Mr. Thar and this Commission, is
3 that you have 30 million dollars set
4 aside for this project in some name that
5 you can speak on behalf of, is my
6 question.

7 MR. BARDEN: My company is the
8 Barden Company, and this specific Indiana
9 corporation is Barden Development which I
10 perform two different functions, but
11 Barden Company is kind of my personal
12 holding company. I guess I'm saying I
13 own everything. I'm the only director.
14 When I commit, I'm committing my company,
15 so I can tell you that whatever entity is
16 utilized, I will personally fund it to
17 the extent of 30 million dollars minimum.

18 CHAIRMAN KLINEMAN: I haven't had a
19 chance to review all these materials. Is
20 there something in this material that
21 would back up the oral statement you just
22 made, that you are personally
23 responsible?

1 MR. BARDEN: I don't think so but--
2 well, yeah, I think it backs that up.
3 But if you would like, Mr. Chairman, I
4 will be happy to send you a letter
5 committing those funds.

6 CHAIRMAN KLINEMAN: I think it
7 would give this Commission a little more
8 comfort. Not that we doubt your word,
9 because you have been honest throughout
10 these proceedings, but I think we should
11 have that in our record.

12 MR. BARDEN: I would be happy to
13 make that available.

14 CHAIRMAN KLINEMAN: Anything
15 further?

16 MR. SUNDWICK: Yes, Mr. Chairman, I
17 would like to ask the Trump people if in
18 fact they have an opinion about this
19 change. Do you have an opinion?

20 MR. RIBIS: We really don't. We
21 just learned about it with the
22 Commission. We like Mr. Barden; he's
23 been very open with us. Obviously we

1 weren't involved in what was going on
2 between those two companies. We have a
3 Joint Venture Agreement but it's with the
4 prior predecessor, so I'm sure all this
5 will have to take some form.

6 EXECUTIVE DIRECTOR THAR: Bob, if I
7 may, that statement wouldn't necessarily
8 be true. If the Joint Venture Agreement
9 is with the applicant, Barden/President
10 PRC Gary, that entity still exists and
11 the Certificate of Suitability holder
12 it's just a matter of who owns the stock,
13 so that Joint Venture Agreement and its
14 obligations still exists. Do you agree
15 with that Mr. Barden?

16 MR. BARDEN: I certainly do. It's
17 spelled out in that document.

18 MR. RIBIS: That's fine.

19 MR. MILCAREK: Do you have a
20 tentative date that you might be in
21 operation much along the lines of the
22 Trump people?

23 MR. BARDEN: Yes. I think we'll

1 have to work expeditiously to get the
2 harbor ready, but we will have the boat
3 ready to go whenever the harbor is
4 ready. So our engineer tells us it will
5 be ready in January, and our people work
6 closely with their people. We have
7 attended all of the meetings and I have
8 had people full time on this nonstop even
9 after there was deliberation on the
10 President's part. We have not signed off
11 of this.

12 And so therefore, if the harbor is
13 ready in January, we would be ready. The
14 boat is ready; just the equipment to put
15 it there.

16 CHAIRMAN KLINEMAN: Anything
17 further? Well, thank you.

18 MR. BARDEN: Thank you.

19 CHAIRMAN KLINEMAN: I presume Mayor
20 Barnes, this might be the appropriate
21 time for you to address us.

22 MAYOR BARNES: Thank you very much,
23 Mr. Chairman.

1 I know that there's been a lot of
2 water, if you will, that's gone by the
3 bridges since we started, since even this
4 last time that I even appeared before
5 this Commission, and I do appreciate this
6 opportunity to share some thoughts and
7 share with you our position on the
8 comments that have been made this morning
9 by our developers, and I hope that you
10 will allow me perhaps six or seven
11 minutes. I'm sure that would be
12 sufficient for me to share those
13 thoughts.

14 Just going back to December the 9th
15 of 1994, on that day several things
16 happened; there were presentations that
17 were made before this Commission; there
18 were commitments that were made, and this
19 Commission obviously made some decisions.

20 The commitments basically were that
21 our developers were ready, willing and
22 able to pursue expeditiously the bringing
23 on of gaming in the City of Gary,

1 Indiana. We embraced those decisions
2 that were made by the Commission. One of
3 course was the choice that the city had
4 promoted, and the other of course was the
5 unanimous decision of this Commission.

6 Subsequent to that, almost
7 immediately, our developers undertook
8 with our blessings, negotiations with the
9 owner of the Buffington property. We in
10 a sense backed away and gave them full
11 Carte Blanc ability to do that without
12 any interference from the city
13 whatsoever.

14 Almost immediately the developers
15 indicated, after some discussions with
16 the owners of the property, that the
17 attitude was recalcitrant and gouging,
18 and that those negotiations were broken
19 off.

20 Sometime very shortly following
21 that, in fact in February of 1995, one of
22 the developers presented to this
23 Commission the concept of exploring the

1 locale site, locale site for gaming
2 development. This was enthusiastically
3 embraced by the city administration and
4 also by the city council. And of course
5 we also took efforts to immediately
6 attempt to acquire that property. In
7 fact, those efforts were moving along,
8 but almost immediately that effort was
9 negated because one of the developers
10 indicated that they had entered into
11 re-entered negotiations with Lehigh, and
12 in fact had an agreement, or purported
13 agreement that would allow for the
14 beginning of riverboats in July or August
15 of this year.

16 During the course of that period of
17 time, the city continued to pursue, and
18 pursue successfully thus far, the
19 condemnation effort which would, if in
20 fact all other things failed, would allow
21 the city to take possession of that
22 property on July the 24th or before that
23 of this year.

1 Subsequent to the most recent
2 favorable decision by the board, I called
3 and attempted to arrange joint meetings,
4 and this is back in May, joint meetings
5 with both of the developers concurrently
6 in Gary. We were able to arrange a
7 meeting with Mr. Trump, which we met with
8 him, and as a result of our meetings with
9 him, entered into a binding Memorandum of
10 Understanding.

11 We were not able to get a joint
12 meeting with Mr. Ellers and Mr. Barden,
13 the Barden President development team,
14 but we did-- we were finally able to get
15 a meeting however with Mr. Ellers.

16 Subsequent to those meetings and
17 those activities, the MOU which was
18 developed after a great deal of
19 negotiation and discussion, around the
20 clock negotiation in Gary with the Trump
21 team, provided as follows:

22 One, that there would be a
23 negotiated land deal by Trump.

1 Two, that there would be a deed
2 over and lease back of the property to
3 the city with simultaneous dismissal of
4 the condemnation action.

5 And of course that gaming would
6 occur by October of 1995.

7 We entered into this agreement
8 based on a couple provisions, but all of
9 them leading to expediting the whole
10 issue of getting the boats in operation.
11 And that of course was our primary
12 motivation.

13 As the Trump team has just
14 indicated, the original date, and the
15 date that was set forth in our Memorandum
16 of Understanding, which would have been a
17 closing on the boat on June the 15th of
18 this month, and of course the closing on
19 the land would have been within a short
20 period of time after that, and of course
21 90 days after that, the actual operations
22 would occur.

23 Now, our purpose here today, Mr.

1 Chairman, and Commission members, is to
2 support a decision by this Commission on
3 the issue of extension of Certificate of
4 Suitability that assures the City of Gary
5 of the quickest operation and development
6 consistent, consistent with the
7 commitments that were made in the
8 Certificates of Suitability, and also
9 those agreements that have been made with
10 the city.

11 As we see it right now, the status
12 is this: The Trump organization has been
13 engaged in around the clock negotiations
14 to conclude a deal with Lehigh. My team
15 has been in communication with them as
16 late as last night. I'm sure probably
17 11:00 or 12:00 o'clock at night.

18 The Trump organization, as they
19 have indicated, has put money in escrow
20 for the full payment on the land, and
21 they also have delivered to the City of
22 Gary, dollars, some two hundred I believe
23 and five thousand dollars, which was to

1 be used as part of the expenses, if you
2 will, prelicensing expenses.

3 We believe that the Trump
4 organization has certainly been in
5 extensive contact with us. I have had
6 numerous conversations with Mr. Trump,
7 and my team has had many discussions with
8 others. We believe that they have been
9 acting in good faith. We think the city
10 is assured of their ability, their
11 commitment and their focus on the Gary
12 project.

13 Further essential assurances of
14 course will be included in provisions of
15 the lease back to the Trump organization,
16 which is one of the specific requirements
17 of the memorandum, the binding Memorandum
18 of Understanding, which we entered into
19 with them. And on that basis of course
20 we support the extension which they
21 requested.

22 As to Barden President, I have
23 learned much this morning about some of

1 the very difficult details that obviously
2 they have had to struggle through, and we
3 certainly been aware that there have been
4 some problems in their collaborative
5 effort. Most of what we have learned has
6 been through reports from the Securities
7 Exchange Commission, which has indicated
8 of course that there were some
9 difficulties President was having in
10 terms of financing, and that its focus
11 indeed would not be toward necessarily a
12 commitment to the Gary project.

13 We have asked Barden President,
14 communications that have been sent to
15 them, to give us the same assurances that
16 have been given by the Trump
17 organization. Mr. Barden has just
18 indicated that he's prepared to make a
19 payment to the city of somewhere in the
20 area of \$200,000, \$195,000, and that is
21 one of those provisions.

22 The other provision that we set
23 forth in writing to them, in order that

1 we can assure that in fact the deal can
2 move ahead, is that there is in fact
3 dollars placed for escrow for
4 contribution to the land purchase.

5 And further, that a binding
6 Memorandum of Understanding similar in
7 those terms that was entered into with
8 the Trump organization, would also be
9 entered into with Barden.

10 And certainly based on us not
11 having those right now, I'm not in a
12 position at this point to endorse their
13 request, but certainly those would be the
14 terms under which we would consider
15 that.

16 Any questions, Mr. Chairman,
17 members of the Commission, I would be
18 happy to try to respond to them.

19 CHAIRMAN KLINEMAN: Any questions
20 of the Mayor?

21 EXECUTIVE DIRECTOR THAR: Just one.

22 Mayor Barnes, is the city prepared
23 to execute the dismissal so that the land

1 can be closed today?

2 MAYOR BARNES: Yes. I have
3 indicated to the Trump team that one of
4 the very specific provisions of the
5 Memorandum of Understanding of course is
6 that we have the deed for the property.
7 That of course has been the position of
8 this administration; also the position
9 that was passed on by the city council.

10 We are going to meet shortly after
11 this session here to determine how we can
12 satisfactorily meet that very important
13 obligation. It's not only a provision of
14 the Memorandum of Understanding, but it's
15 one that I consider important, the city
16 council in its public hearings that it
17 had on this matter when it approved the
18 Memorandum of Understanding, that we
19 entered in with Trump, saw that as an
20 extremely important provision, and I'm
21 hoping that we can in fact resolve that
22 issue very shortly.

23 EXECUTIVE DIRECTOR THAR: I

1 understand that. It was a part of the
2 proceedings on December 9th that both of
3 the developers indicated that the land,
4 regardless of how acquired, would be
5 deeded over to the city. It strikes me
6 though as somewhat impossible for them to
7 deed something over to you when they
8 haven't been able to close on to get
9 title.

10 So again, I would urge that the
11 city execute that dismissal, because if
12 they can't file that permit this
13 afternoon, it's my understanding that
14 they go by quarters, they are going to
15 miss this quarter, and that sets you back
16 on your time lines.

17 MAYOR BARNES: Mr. Thar, we have
18 been set back on times for probably
19 almost two years now, and we're aware
20 that there are all kinds of problems that
21 can come up, but let me just refer again
22 to you, that on May the 27th we entered
23 into a Memorandum of Understanding, a

1 binding Memorandum of Understanding. One
2 of the important provisions that was
3 negotiated in that Memorandum of
4 Understanding was that there would be a
5 simultaneous conveying of the property to
6 the city with the dismissal. So
7 therefore we have to resolve that issue.

8 EXECUTIVE DIRECTOR THAR: I would
9 suggest that you not get hung up on form
10 over substance.

11 MAYOR BARNES: Mr. Thar, I can
12 understand the position of yourself, or
13 perhaps even the Commission members, that
14 may be the case, but again, this is a
15 Memorandum of Understanding that was
16 passed on by the city council; approved
17 by myself; approved by Mr. Trump, and
18 certainly it's one that we expect in this
19 provision will be lived up to.

20 CHAIRMAN KLINEMAN: Mayor, can I
21 interject here a minute? We really are
22 kind of running around in a little circle
23 here.

1 Is the Stipulation of Dismissal
2 present in this room at this time? The
3 document itself.

4 MAYOR BARNES: I'm not sure if we
5 have it or not, but that's not a great
6 difficulty; it's dealing with the
7 provisions.

8 CHAIRMAN KLINEMAN: I would almost
9 like to see it handed over. There is
10 money in escrow. The money can't slide
11 out of escrow, and the property can't
12 close until that stipulation is delivered
13 to the Trump organization. So I would
14 request that you find out if you have it
15 here, and maybe you can just hand it
16 over.

17 As you say, you have a binding
18 agreement that the property will be
19 conveyed to the city.

20 MAYOR BARNES: That's correct.

21 CHAIRMAN KLINEMAN: I give you the
22 assurance of this Commission that we
23 understand that that was part of the

1 deal, and if that doesn't happen, it may
2 not happen in 30 seconds after you hand
3 over the stipulation, but if it does not
4 happen in a reasonable length of time, if
5 you will come back to this Commission, I
6 think we have the wherewithal to make
7 sure that you do get title to the
8 property. It will be done. I give you
9 the assurance personally that we will
10 bring the matter before this Commission
11 and take appropriate action.

12 But we want to bust loose. We sit
13 here at five minutes of 10:00; we're told
14 if this thing doesn't happen by noon
15 today we are set back a long way.

16 So if you could find out if the
17 dismissal papers are physically in this
18 room, let's get them signed and
19 delivered.

20 MAYOR BARNES: Well, Mr.
21 Commissioner, Mr. Chairman, the position
22 that I would take is this: First of all
23 I will certainly confer with the council

1 member who is present here, and if we in
2 fact can get the commitment on record of
3 this Commission, that within a time
4 certain that they will guarantee that the
5 deed-over to the city will be made, then
6 certainly that's something that I would
7 support.

8 CHAIRMAN KLINEMAN: We will
9 guarantee that we will take up that
10 matter if it is not promptly resolved. I
11 can't guarantee you what will happen, but
12 I will guarantee you we'll take it up.

13 MAYOR BARNES: Well, again, what we
14 have, the guarantee that we have at this
15 point is that we have a condemnation
16 action that is still on file, and it's
17 being asked that we dismiss it with
18 prejudice, and obviously once we dismiss
19 that with prejudice, we have absolutely
20 no leverage to assure that the terms in
21 the agreement will be met.

22 CHAIRMAN KLINEMAN: You keep
23 referring to the binding agreement you

1 have with the Trump people. It's either
2 binding or it's not. If you believe it's
3 binding, then I think you would feel
4 comfortable enough to hand over the
5 stipulation. I mean, that's elementary.

6 MAYOR BARNES: Mr. Chairman, the
7 binding agreement provides, that in the
8 lease back we will of course enter those
9 development terms for development
10 commitments, and certainly that's the
11 reason that we put those terms in the
12 MOU. That's the reason of course we have
13 made it simultaneous with the deed over
14 to us that we would enter the dismissal.

15 But as I said, rather than just go
16 around in circles as you have suggested,
17 I certainly will meet with counsel and
18 talk with my team and determine what we
19 would see as satisfactory in that
20 regard.

21 MS. BOCHNOWSKI: Can you close on
22 the property without this?

23 MR. RIBIS: I don't want to-- Mayor

1 Barnes and I have worked hard on this.

2 We're prepared--

3 CHAIRMAN KLINEMAN: Would you
4 identify yourself?

5 MR. RIBIS: Nick Ribis, Chief
6 Executive Officer, Trump Indiana.

7 The agreement says that when we are
8 prepared to close we would receive their
9 dismissal. We are prepared, have always
10 been prepared to put the deed in escrow.
11 There is no fast and loose here,
12 everything is in the agreement, but we
13 can't close without the Stipulation of
14 Dismissal. It's a condition preceding.

15 And we do have a time line here
16 with the application, where we'll lose
17 another quarter and we're talking about
18 time and money and effort. And I think
19 the city, if we could sit and talk to the
20 city for two minutes, maybe we can come
21 back and-- (pause).

22 MR. SUNDWICK: It seems to me, I
23 mean, I have watched you sit over there

1 and nod your head, and Mr. Mayor, you
2 can't see them nod their head, it seems
3 to me you could walk out of the room and
4 come right back and get this thing
5 accomplished in two minutes. Doesn't
6 seem like a big deal.

7 MR. RIBIS: It's not. We want to
8 get a closure today, and that's what we
9 should do.

10 CHAIRMAN KLINEMAN: I think the
11 Mayor has gotten the word.

12 MAYOR BARNES: Well, we have got
13 the word, and what we want is to leave
14 here with assurances that many of the
15 words, if you will, we have gotten in the
16 past, have not been able to, for whatever
17 the reasons are, to follow through on
18 them, and so I'm certainly happy to meet
19 with Mr. Ribis.

20 CHAIRMAN KLINEMAN: Why don't you
21 check with your people, and we will
22 postpone this matter for about a half
23 hour and we'll then revisit it and see

1 how you all have come out. That will
2 give you till 10:30 I guess, according to
3 my watch. So we'll recess the question--
4 excuse me. Go ahead.

5 MR. SUNDWICK: I just want to say,
6 and I agree with you, Alan, I think you
7 ought to just leave the room and we'll
8 give you a hand when you leave, and give
9 you a hand when you come back and see if
10 it works.

11 ... Laughter.

12 CHAIRMAN KLINEMAN: I would suggest
13 that a Stipulation of Dismissal is not a
14 difficult document. People write them on
15 yellow pads and sign them. I have
16 written agreements on yellow pads.

17 But what we are going to do then is
18 recess this matter until 10:30. However,
19 after about a five minute recess we will
20 take up a few other matters maybe about
21 10:00. We will be back here about 10
22 minutes after 10:00.

23 Thank you, Mayor, for coming down.

1 (AT 10:00 A.M., THERE WAS A BRIEF
2 RECESS TAKEN, AFTER WHICH THE FOLLOWING
3 PROCEEDINGS WERE HAD, COMMENCING AT 10:15
4 A.M.)

5 CHAIRMAN KLINEMAN: I think we at
6 this time will take up the matter of the
7 consideration of renewal of the
8 Certificate of Suitability for Aztar
9 Indiana Gaming Corporation, which of
10 course the Certificate of Suitability was
11 issued in connection with the Evansville,
12 Indiana project, and I guess Mr. Boyd, if
13 you would identify yourself for the
14 record, you may address the Commission.

15 MR. BOYD: Thank you, Mr. Chairman.
16 I'm Jay Boyd, legal counsel for Aztar
17 Indiana Gaming Corporation.

18 As the Chairman referred, on
19 February 10, 1995, this Commission issued
20 a Certificate of Suitability to Aztar to
21 operate a riverboat gaming complex in
22 Evansville, Indiana. By its terms, that
23 certificate is renewable upon application

1 to the Commission through the Executive
2 Director. Aztar has requested the
3 certificate to be renewed for an
4 additional 180 days by letter to the
5 Commission on June 23, 1995.

6 At this time I would like to
7 introduce to the Commission, Jim Brown,
8 who is the Vice President and General
9 Manager of Aztar, who's really in charge
10 of operations in Evansville, who will
11 review, take a few minutes to review for
12 you the progress of our development in
13 Evansville, Indiana. He would be
14 prepared to answer any questions that any
15 of the members of the Commission and
16 Staff may have with respect to the
17 development of the facility.

18 At this time, Jim Brown.

19 MR. BROWN: Good morning, Mr.
20 Chairman and members of the Commission.
21 I'm Jim Brown and I'm Vice President and
22 General Manager of Aztar's Casino Aztar
23 development in Evansville.

1 I have been employed by Aztar since
2 1986, and most recently was in the
3 position of Vice President of Operations
4 for our Ramada Express Hotel and Casino
5 facility in Laughlin, Nevada.

6 Additionally I am a graduate of
7 Indiana University School of Business.

8 At this time I would like to report
9 on Aztar's progress in the development of
10 our hotel and riverboat complex in
11 Evansville. Our "City of Evansville"
12 riverboat was successfully launched from
13 the boat works of Jeffboat, Incorporated
14 in Jeffersonville, Indiana on March 12,
15 1995. Scheduled completion date for the
16 vessel is August 31, with September
17 dedicated to the installation of
18 owner-furnished equipment, including all
19 gaming equipment.

20 Additionally, we currently have a
21 Chief Engineer and First Mate on site at
22 Jeffboat to oversee the successful
23 completion of the vessel. On June 14, we

1 received written authorization from the
2 Office of the Kentucky Attorney General
3 to navigate our boat through Kentucky
4 waters in its journey from Jeffersonville
5 to Evansville so long as the installed
6 gaming equipment is not functional.

7 Key hires to date include Directors
8 of Marketing, Finance, Marine Services,
9 Non-Gaming Operations, Table Games and
10 Slot Operations. We expect to announce
11 appointments in the areas of Human
12 Resources and Security within the next
13 two to three weeks. An Assistant
14 Construction Project Manager is on site
15 in Evansville, with the Construction
16 Project Manager scheduled to start on
17 August 1st.

18 Additionally, Casino Aztar has
19 named a Purchasing Manager, and we are in
20 the process of formulating a Minority
21 Business Purchasing Plan. We are
22 currently members of the Tri-State
23 Minority Supplier Development Council,

1 and will be conducting our first Casino
2 Aztar Minority Trade Fair in August. We
3 will be assisted in this undertaking by
4 Charlotte Leavell, Certification
5 Coordinator for Indiana Minority Business
6 Development.

7 A permanent office for Casino Aztar
8 of Evansville at 111 Main Street has also
9 been opened.

10 A formal lease for the use of
11 Riverfront Park has been entered into
12 with the City of Evansville, and judicial
13 and administrative challenges to the
14 conversion of Riverfront Park by an
15 adjacent landowner have been withdrawn.

16 The U.S. Army Corps. of Engineers
17 held a hearing on April 6th on the
18 application for a permit under Section
19 404 of the River and Harbors Act, with a
20 decision on that application expected
21 within a month.

22 Casino Aztar's Casino Dealer
23 Training Schools for prospective

1 employees are proceeding successfully,
2 with approximately 50 percent of our
3 students and graduates residing in
4 Evansville's Fourth and Sixth Wards, and
5 minority representation currently totals
6 20 percent.

7 Construction drawings for all
8 permanent facilities, including hotel,
9 pavilion, parking garage, events plaza
10 and park are in the final phase of
11 preparation.

12 Temporary facility drawings have
13 been finalized, and a 13,000 square foot
14 tent-like structure for all ticketing and
15 boarding needs is currently being
16 constructed by Anchor Industries of
17 Evansville.

18 Our relationship with the City of
19 Evansville Administration has been an
20 especially productive and a positive
21 experience. We appreciate their
22 cooperation and assistance in the
23 successful development to date of this

1 project.

2 Aztar has become actively involved
3 in and supporters of the Evansville
4 community. Our involvement has included
5 sponsorship of the Evansville Freedom
6 Festival Parade during "Thunder on the
7 Ohio," and title sponsorship of the
8 upcoming Downtown Evansville Riverfest.

9 Additionally, I have been elected
10 to serve on the Board of Center City, and
11 the Board of Deaconess Hospital.

12 Representatives of Aztar and the
13 City of Evansville have periodically met
14 via teleconference or in-person
15 conference with representatives of the
16 Commission to review progress of the
17 development of our project.

18 Aztar has complied with each
19 applicable condition in the Certificate
20 during the interim compliance period
21 prescribed in the Certificate.

22 Assuming timely issuance of the
23 permit by the Corps. of Engineers, based

1 upon the schedule we have been advised to
2 expect, the development and construction
3 timetable would indicate that operations
4 will commence in mid to late fall of this
5 year. Therefore, Aztar respectfully
6 requests that the Certificate be renewed
7 for an additional 180 day period.

8 Thank you. If you should have any
9 questions, we would be glad to answer
10 them at this time.

11 MR. VOWELS: I have a question in
12 reference to the DNR application, my
13 understanding was there was a Mr. Motley
14 from Warren County that made some
15 objections. Can you tell me what the
16 status of that is?

17 MR. BOYD: Yes, Mr. Vowels. There
18 have been objections and claims filed I
19 think by an organization called Save Our
20 Rivers. It's represented by Don Motley.
21 We have, on behalf of Aztar, appeared in
22 those proceedings. There is a prehearing
23 conference scheduled on July the 11th.

1 There is one matter seeking another
2 rehash of the conversion of Riverfront
3 Park by the National Park Service.
4 Somehow this has been brought before the
5 Department of Natural Resources.

6 In addition, there is a prehearing
7 conference set for July the 12th in
8 Evansville with respect to a petition
9 seeking to have a review of the floodway
10 variance permit the Department of Natural
11 Resources issued in May to Aztar. So we
12 have appeared and we will be contesting
13 each of the allegations in there. We do
14 not think those claims that have been
15 made are well founded.

16 MR. VOWELS: Are they well-timed?

17 MR. BOYD: There is a question on
18 timing. We have clear obvious questions
19 on timing jurisdiction with respect to
20 the contest and conversion of Riverfront
21 Park. In addition, there are questions
22 of timing concerning the floodway permit
23 issued that we are involved in, in

1 determining the notice date of certain
2 matters in order to come to a legal
3 conclusion on that.

4 MR. VOWELS: Does Save Our Rivers,
5 do they have house counsel in Evansville
6 or somewhere in Southern Indiana?

7 MR. BOYD: At this point it's
8 proceeding pro se by Mr. Motley.

9 MR. VOWELS: I don't have anything
10 further.

11 CHAIRMAN KLINEMAN: Mr. Thar?
12 Do any of the other Commission
13 members have any questions?

14 So your request would be for 180
15 days, which would bring you to February
16 9th, 1996. What is your timetable for
17 starting operations?

18 MR. BROWN: From all that we can
19 determine, we expect to hear from the
20 Corps. of Engineers on or about July
21 15th, and it will take us approximately
22 four months to fully develop the site and
23 be ready for operations. So based on

1 July 15th, we would expect sometime in
2 mid to late November to be in operation.

3 CHAIRMAN KLINEMAN: Well, this
4 Commission is very interested in getting
5 a boat operating. We have now been at
6 this since September of 1993, and that's
7 a question that I'm asked everytime I go
8 anyplace when people become aware of my
9 position, and they want to know when
10 there's going to be a boat. So at the
11 present time I guess we have a timetable
12 to answer that question for us.

13 MR. VOWELS: They tend to hold us
14 personally responsible.

15 MR. BROWN: Internally we are ready
16 to go and our general contractors have
17 tried to tighten up the schedule as much
18 as possible.

19 CHAIRMAN KLINEMAN: Well, one of
20 the things that most of the people do not
21 realize are the number of governmental
22 agencies which are involved in permitting
23 or otherwise being in a position to

1 control the flow of the commencement of
2 operations, and we understand that but
3 other people do not.

4 So, would it be the wishes of the
5 Commission that we entertain a motion to
6 extend the Certificate of Suitability for
7 Aztar Indiana Gaming Corporation for a
8 particular date?

9 MR. VOWELS: I will move that it
10 would be extended to February 9th or 10th
11 of 1996.

12 CHAIRMAN KLINEMAN: Okay.

13 DR. ROSS: Second.

14 CHAIRMAN KLINEMAN: You have heard
15 the motion; seconded by Dr. Ross.

16 Any discussion on this motion?

17 MR. SUNDWICK: Only that he went to
18 the Indiana School of Business.

19 ... Laughter.

20 MR. BROWN: I knew it would come in
21 handy.

22 CHAIRMAN KLINEMAN: Okay. Hearing
23 no further discussion, all those in favor

1 say aye. Contrary.

2 Your Certificate is extended to
3 February 9th, 1996.

4 MR. BROWN: Thank you very much.

5 CHAIRMAN KLINEMAN: We're still a
6 little early to hear from the Gary
7 people, so we will take up a couple of
8 other items.

9 In anticipation of our session at
10 1:00 o'clock today, I think it would be
11 appropriate that this Commission would
12 consider a couple of preliminary but
13 important matters.

14 One would be we have received a
15 substantial amount of supplemental
16 material since last Thursday. We have
17 before us a list of supplemental material
18 that's been classified as to whom it was
19 submitted by or what it had to do with.
20 And I just wanted the record to show that
21 that material has been made available to
22 each of the Commissioners, to include in
23 their considerations of the matters which

1 will come before us this afternoon. And
2 I just wanted the record to show it; so
3 indicate. I don't think it's necessary
4 that we read this list that has been
5 prepared, but I would ask that it be made
6 a part of this record.

7 It's entitled Supplemental Material
8 Received Since 6/19/95, and it's
9 categorized by which of the applicants or
10 which county or which city they applied
11 for, and it will be made a part of this
12 record, hearing no objections.

13
14 ... The following written report
15 was placed into the record as follows:
16
17
18
19
20
21
22
23

SUPPLEMENTAL INFORMATION RECEIVED SINCE 6/19/95

AMERISTAR CASINOS INC.

1. Letter from Cultural Resources Analysis Inc., consultant, regarding research done for the applicant.
2. Letter from Ameristar concerning a 100 mile non compete agreement.
3. Memo dated 6/21/95 to Jeff Terp listing research done in connection with the Ameristar project.
4. Endorsement letter from John Maxwell, a local partner and resident.
5. Endorsement from Paul Stegmiller.
6. Endorsement letter from the Aurora Inn.
7. Endorsement letter from Bruns-Gutzmiller.

* BOYD GAMING CORPORATION

1. Letter from Boyd with supplemental and clarifying information including site access and potential \$8M funding for a bypass.

EMPIRE CASINO AND RESORT

1. Endorsement letter from Hrezo Engineering.
2. Letter from Debbie Whitaker regarding option given to Empire on her property.
- * 3. Letter with agreement between Shilling Gaming and Kenny Group.
- * 4. Letter from Attorney Jan Keefer regarding problems with building in the floodway.
- * 5. Booklet from Empire with supplemental and clarifying information.

INDIANA GAMING COMPANY, LP

1. Letter from Sommer & Bernard clarifying interest of Rod Ratliff.
2. Letter from Barnes & Thornberg with supplemental and clarifying information. Also a video used in their presentation to the commission. (available)

LADY LUCK LAWRENCEBURG DEVELOPMENT CORP.

1. Endorsement from the Southeast Indiana Public Safety Committee.
- * 2. Letter with agreement between Lady Luck and Primadonna Resorts, Inc., for financing of the project.
3. Letter enclosing descriptive information and video about Primadonna Resorts, Inc. (enclosures available)

SES BOAT LP / BOOMTOWN BELLE II, LP

- * 1. Letter with supplemental and clarifying information including requested pro forma.

ALPHA RISING SUN

1. Letter dated 6/23/95 to Monte Denbo with commitment for \$2.5M for road improvements.
2. Letter dated 6/24/95 containing supplemental and clarifying information.
3. Letter dated 6/26/95 to Monte Denbo containing supplemental and clarifying information.
4. Letter from Baker & Daniels dated 6/27/95 concerning the George Baxter currency violation case.
5. Letter dated 6/27/95 with correction to a previous letter.

RISING SUN RIVERBOAT CASINO AND RESORT, LLC

1. Letter dated 6/26/95 with copy of a letter to Monte Denbo with supplemental and clarifying information including a \$2.5M commitment for road improvements.
2. Paul I. Cripe Co., letter concerning progress on regulatory issues.

PINNACLE GAMING DEVELOPMENT CORP.

No supplemental information.

SWITZERLAND COUNTY

1. Endorsement letter for a Switzerland County riverboat from members of the Madison, Indiana visitors council.
2. Endorsement letter for a Switzerland County riverboat from the local Council on Aging.
3. A signed petition against a riverboat in Switzerland County.

OHIO COUNTY

No supplemental information.

CITY OF LAWRENCEBURG

1. Letter dated 6/28/95 from Peat Marwick consultants concerning not granting a license to the SES / Boomtown applicant.
2. Letter from Seagrams dated 6/22/95 citing traffic problems and desire for an east side project.
3. Letter dated 6/26/95 from the Lawrenceburg City Council concerning the Mayor's letters.
4. Letter from Attorney William Singer concerning the availability of his clients land.
5. Letter delivered 6/29/95 from the City of Lawrenceburg re-endorsing the three candidates previously picked and objecting to the granting of a license to SES / Boomtown.

DEARBORN COUNTY

1. Letter dated 6/23/95 from the Dearborn County Chamber of Commerce saying they can work with any of the six applicants.
2. Letter received 6/6/95 from Betsy McKee enclosing several newspaper articles indicating problems with gambling.
3. Letters from Debbie Whitaker indicating her property is available.
4. Letter from Mr. and Mrs. Sedler indicating their property is available.

LETTERS FROM ELECTED OFFICIALS

1. Letter dated 6/27/95 from Sen. Johnny Nugent concerning traffic issues.
2. Letter dated 6/27/95 from Sen. Harold "Potch" H. Wheeler.
3. Letter dated 6/27/95 from Rep. Richard W. Mangus.

MISCELLANEOUS

1. Letter from the Indiana Zoo discussing representations made by the Oxbow group.
2. Memorandum dated 6/29/95 to Daniel Fogerty, Director, Historic Preservation and Archeology, DNR, regarding potential impact on historic resources in the southeast counties.
3. Letter dated 6/28/95, from the Historic Lawrenceburg Business Association.

1 CHAIRMAN KLINEMAN: The next matter
2 would be the question of how many
3 licenses we are going to consider
4 granting our Certificate of Suitability
5 in the southeastern corner of Indiana.
6 In this respect of course we have to
7 remember that this Commission is by
8 statute authorized to grant a maximum of
9 five licenses on the Ohio River. We have
10 heretofore granted one in the Evansville
11 area as you just heard, so that leaves us
12 four licenses. There have been, I don't
13 know how many counties, but several
14 counties on the Ohio River, seven? I'm
15 told there are seven counties on the Ohio
16 River who have by referendum approved the
17 docking of a riverboat in their
18 jurisdiction.

19 I guess all of us have heard and
20 understand that the southeastern corner
21 of Indiana is a very substantial market,
22 whether you draw the circles at 50 miles
23 or seventy-five or hundred or a hundred

1 fifty or two fifty, there are a lot of
2 people that live within those circles,
3 and based upon the best estimates of most
4 of the people in the industry, this is a
5 very, very substantial market.

6 Under those circumstances, I guess
7 I would indicate to the Commission that
8 it would be my thinking that we should in
9 consideration this afternoon of the three
10 counties involved in this out east, to
11 wit: Switzerland, Ohio and Dearborn
12 Counties, that we grant the two
13 Certificates of Suitability this
14 afternoon to be placed in those three
15 counties.

16 So, is there any other further
17 discussion that we have concerning this
18 matter? If not, I would entertain a
19 motion to indicate-- I guess the motion
20 would be, move to approve the granting of
21 two licenses, or two Certificates of
22 Suitability within the confines of
23 Switzerland, Ohio and Dearborn County,

1 and we will consider then the specific
2 applicants this afternoon.

3 Somebody like to make that motion?

4 MR. MILCAREK: I so move.

5 MR. SUNDWICK: I will second it.

6 CHAIRMAN KLINEMAN: It's been moved
7 and seconded. Any further discussion
8 concerning this matter?

9 Hearing none, all those in favor of
10 the motion say aye. Contrary. The
11 resolution is adopted.

12 I guess that takes care of some of
13 the matters.

14 Mr. Tabbert, we're about ready for
15 the continuation on the Gary matter.

16 MR. TABBERT: Mr. Chairman, I just
17 been present during the last 20 or 25
18 minutes, and it's remarkable. I can't
19 come in here now and tell you that there
20 is an agreement. There were
21 approximately 15 people in the room. We
22 don't have it by 10:30. I don't know why
23 we don't have it, but we don't. That's

1 the best I can tell you. And we have
2 been told to get out of the room because
3 somebody else had the room, so we have to
4 find another room too.

5 CHAIRMAN KLINEMAN: That's what
6 happens if you don't pay the rent.

7 ... Laughter.

8 MR. TABBERT: I have explained to
9 everybody in the room that there is a
10 10:30 deadline, and that doesn't seem to
11 move anybody.

12 MR. VOWELS: Is it possible that
13 you can close without this condemnation
14 proceeding happening there?

15 MR. TABBERT: No. The deed is done
16 and signed. It was done last night. The
17 condemnation dismissal was signed last
18 night. It's in existence. They were
19 there last night at 10:00 o'clock.

20 MR. VOWELS: You got the deed from
21 Lehigh?

22 MR. TABBERT: We're ready to go,
23 but there are other things that we have

1 not worked out apparently. I'm sorry.

2 MS. BOCHNOWSKI: Is there going to
3 be problem? I'm worried about that once
4 you give the deed to the city, this is
5 going to be a big problem, that you are
6 not going to be able to proceed?

7 MR. TABBERT: I don't think so. I
8 have no indication that that's true. I
9 perceive that there is some kind of
10 reluctance to actually finalize
11 everything, to let go of a situation. I
12 sat and heard it all, and no, I don't see
13 any problem. I think it could be done
14 right now and everybody would be happy.

15 EXECUTIVE DIRECTOR THAR: Is the
16 lease ready to be executed from the city
17 leasing the land back to Trump Barden?

18 MR. TABBERT: As you know, it isn't
19 just Lehigh in the lease, there were
20 three or four entities, and so that's one
21 thing that they have been discussing. I
22 had not been aware of that, but there is
23 an attempt made right now to see if they

1 can put another paragraph in that
2 document that I think would satisfy Gary,
3 another 30 days, that would give them the
4 assurance that they would want. If that
5 can happen, then I think we're okay.

6 Mr. Chairman, you might want to
7 consider another 10 or 15 minutes or, I
8 don't know.

9 I do not think there is anything of
10 substance that would affect the Gary
11 situation at all. I think if they can
12 just get a couple minor things done
13 everybody will sign and we'll be happy.

14 MS. BOCHNOWSKI: You feel that once
15 you get this lease, that you are pretty
16 much free and clear to do whatever you
17 want to do?

18 MR. TABBERT: Oh, I think so. We
19 don't detect anything that would prevent
20 certainly the Trump people from going
21 ahead full speed, and we are. I can't
22 speak for the Barden situation.

23 MR. SUNDWICK: Can you share with

1 us the reason that you believe there is a
2 reluctance?

3 MR. TABBERT: Yes, I think I can,
4 although Mr. Ribis and some of the
5 attorneys who were there could probably
6 do a better job, I think.

7 The question has been asked whether
8 we can detail specifically what the
9 problem is that prevents us from-- can we
10 do that, Mr. Ribis?

11 MR. RIBIS: What was the question?

12 MR. TABBERT: Can we detail what
13 the specific problem is of not being able
14 to exchange the documents right now?

15 MR. RIBIS: I think the city should
16 come back in the room. In all fairness,
17 I don't think the city has any intent of
18 doing what they said they would do. The
19 document was mischaracterized to this
20 Commission. You can read it.

21 The city agreed that when we were
22 ready to close the land, and we funded
23 the money, that they would give us a

1 Stipulation of Dismissal. That's all. I
2 guess that's changed.

3 CHAIRMAN KLINEMAN: If we are going
4 to really have argument--

5 MR. RIBIS: I was just responding.

6 CHAIRMAN KLINEMAN: -- we should
7 have the city present, and I don't see
8 that they have returned to the room yet.

9 MR. TABBERT: I told them about the
10 deadline. I repeat, everybody is being
11 kicked out of the room, so they are going
12 to have to come back pretty quickly.

13 CHAIRMAN KLINEMAN: Well, what is
14 the pleasure of the Commission? We have
15 about run out of items for this morning.

16 Well, maybe the Commission will go
17 get a cup of coffee and we will come back
18 at 11:00 o'clock, but that's going to be
19 the final deadline.

20 Would you please inform the parties
21 that it would be in everybody's best
22 interest to conclude this immediately.

23 (AT 10:35 A.M., THERE WAS A RECESS

1 TAKEN, RECONVENING AT 11:10 A.M., AFTER
2 WHICH THE FOLLOWING PROCEEDINGS WERE
3 HAD:)

4 CHAIRMAN KLINEMAN: I think we're
5 about ready to reconvene.

6 I see that the Mayor has come back
7 into the room, and I guess we're probably
8 in a position to hear a report on whether
9 or not we have obtained the necessary
10 stipulation for dismissal of the
11 condemnation case.

12 Mayor, I want to thank you for
13 taking this opportunity to try to work
14 something out, because it's in the best
15 interest of the citizens of Gary, as you
16 know, to get this thing on down the road,
17 and that's all we're trying to do.

18 MAYOR BARNES: Thank you very much,
19 and I hate to disappoint you, but at this
20 point we have not quite frankly worked it
21 out. The time in which we have attempted
22 to do this, there are too many issues
23 that have not been resolved, and we

1 originally began with our agreement, was
2 that we would have a lease agreement
3 worked out by June the 20th, and in good
4 faith we have worked it out; I'm sure
5 that circumstances have not allowed that
6 to be done are not necessarily ones we
7 would lay at the foot of anyone, but the
8 reality that it has not been, and the
9 reality is that we are being asked to
10 dismiss with prejudice. The only
11 sufficient assurance that we have, and
12 that at some later date the property
13 which is supposed to be according to the
14 agreement transferred to us
15 simultaneously will be done.

16 We have talked about some mechanism
17 which that can be done, but the short
18 period of time we have quite frankly does
19 not allow me in good conscience in
20 looking at the interest of the City of
21 Gary, and also in consultation with the
22 council member who is present and who was
23 part of the gaming commission, to make

1 that decision.

2 CHAIRMAN KLINEMAN: Well, Mayor, I
3 cannot express my disappointment enough.
4 I have practiced law for a good many
5 years, and as you have indicated, you had
6 a binding agreement that you're going to
7 get the property; there is no reason that
8 I can see, legal reason or otherwise, why
9 that dismissal can't come forward, and be
10 made available so the property can close,
11 so the permits can be taken.

12 The city has to not stand in the
13 way. It has to participate and be
14 forthcoming and not try to put itself in
15 a position where it, at least from my
16 standpoint, it looks like it's
17 obstructing progress.

18 MAYOR BARNES: Well, Mr. Chairman,
19 I regret that you feel that way. We have
20 a Memorandum of Understanding that was
21 executed on May the 27th, that sets out
22 the terms under which we are to pursue
23 this matter; it sets out the terms under

1 which we would dismiss this action.

2 What we are doing is pursuing the
3 terms of that agreement, which quite
4 frankly is all that we have to operate
5 from.

6 MS. BOCHNOWSKI: So in other words,
7 you are really holding this condemnation
8 suit over the heads of these people.

9 MAYOR BARNES: Yes.

10 MS. BOCHNOWSKI: It's almost like
11 blackmail, Mayor.

12 MAYOR BARNES: Well, I'm not sure,
13 Ms. Bochnowski, what you would call it,
14 but I do know this, that if we don't use
15 whatever leverage we have to protect the
16 interests of Gary, Indiana, I'm not sure
17 anyone else is going to protect it to the
18 extent that we are bound to.

19 MS. BOCHNOWSKI: I didn't mean that
20 in an offensive way.

21 MAYOR BARNES: That's quite all
22 right.

23 MS. BOCHNOWSKI: But what I'm

1 trying to say is, all of this, I mean,
2 when we granted these Certificates of
3 Suitability way back when, I was under
4 the understanding that we had some
5 agreement about what each company was
6 going to do for the City of Gary, and it
7 looks like this foundation is still in
8 place. I haven't seen anybody backing
9 off from what they have said they were
10 going to do for the City of Gary. I
11 don't understand why you can't go
12 forward.

13 MAYOR BARNES: Well, I regret that
14 you don't understand. I fully understand
15 the anxiousness of the Commission. I'm
16 sure there is no one more interested in
17 this matter moving forward than the City
18 of Gary. But for us to come in at this
19 moment, a very key provision that was set
20 out in our agreement, this agreement that
21 we entered into, that agreement provides,
22 among other things, that there would be a
23 simultaneous, with the acquiring of the

1 property, a transfer of that property to
2 the City of Gary, and a dismissal. Those
3 things are all to occur at the same
4 time. It gives adequate protection to
5 the developer; it gives adequate
6 protection to the City of Gary as well.

7 That agreement is what the city
8 council approved in resolution, debated
9 at public hearings on, and decided on.
10 I'm not in a position as a Mayor to
11 contravene that, and quite frankly I'm
12 not convinced that I would want to.

13 CHAIRMAN KLINEMAN: Mayor, I'm not
14 trying to jump on you, but this
15 Commission, even though we were held up
16 to a challenge to our authority for
17 several months, has always abided by the
18 legislative intent of Gary first. We
19 went to Gary first. We granted the
20 Certificate of Suitability first. We
21 thought that it was important to Gary,
22 the moving force behind this legislation,
23 and we thought it was important to try to

1 give Gary this advantage, which we
2 discussed before with you.

3 We are now in a position, where
4 when we finish today, we are going back
5 up north, and we're going to be in
6 Hammond and East Chicago, and you're not
7 going to be first, you may not even be
8 last. I mean, you're going to put
9 yourself in a position, and I know that
10 you chose not to run for re-election, but
11 I myself think that if this sort of
12 activity continues on the part of Gary,
13 and on the part of the current
14 administration, I think the legacy of
15 this administration is not going to be
16 the monument that we you and I hoped it
17 would be.

18 MAYOR BARNES: I appreciate that,
19 but I must confess that I obviously do
20 not accept your comments with valid and
21 certainly I will not say in an offensive
22 manner, but we have entered into an
23 agreement, and I cannot understand why

1 the Commission would take the position
2 that we should disregard the terms of a
3 binding agreement which we have entered
4 into, that protects the interests of the
5 citizens of Gary; protects also the
6 developers as well. I'm mystified as to
7 why this would present a problem with
8 this Commission.

9 CHAIRMAN KLINEMAN: The word
10 simultaneous may be the problem, okay?
11 The word simultaneous cannot--

12 MAYOR BARNES: Well, how do you
13 characterize it?

14 CHAIRMAN KLINEMAN: -- mean
15 simultaneous. It can't mean
16 simultaneous, okay? Because just by the
17 very nature of the world, things don't
18 happen just right simultaneously.

19 The dismissal, as you know, must be
20 made available, because Lehigh will not
21 deed the property until they know they
22 are done with the city.

23 MAYOR BARNES: Exactly.

1 CHAIRMAN KLINEMAN: Nobody can give
2 you a deed. The developers can't give
3 you a deed until they get the property
4 from Lehigh, so you can't have
5 simultaneous. You can have a list of
6 things that will happen in order, and
7 that's the way I read the agreement.

8 I read the agreement, it says
9 binding, if these people get title, they
10 are duty bound to convey it to the city,
11 and I've told you when we first started
12 down this road this morning an hour or so
13 ago, that this Commission would see that
14 that happened. That doesn't seem to cut
15 any weight with you.

16 MAYOR BARNES: What you said, Mr.
17 Chairman, was that you would take that
18 matter up, and your taking it up does not
19 give the city any guarantee if
20 negotiations fell through, that in fact
21 it would be acted on.

22 CHAIRMAN KLINEMAN: Well, we give
23 you a quick forum to bring this matter to

1 our attention, and my experience with the
2 developers both here and other places
3 whenever that happens, is that they tend
4 to listen to what this Commission says.

5 MAYOR BARNES: Well, I'm not sure
6 what the Commission would say, and if I
7 knew that, then certainly I would be much
8 more disposed, and I'm sure that the
9 council representative would be as well.

10 But at this point, quite frankly
11 from my consultations and from my own
12 phone calls and deliberations, the issue
13 that continues to hold us up is the fact
14 that our agreement provides for the
15 transferring of the property over to the
16 City of Gary; the deed back of the
17 property to the developer, and the
18 language that we use is language that
19 says simultaneous transfer, and we expect
20 that to be in the same transaction
21 basically.

22 MR. SUNDWICK: Is there nothing
23 that we can do today, in your opinion?

1 We have an extension that the Trump
2 organization and Mr. Barden are both
3 looking for today, for suitability
4 certificates that we don't have to
5 extend. Why is it that we can't say, and
6 maybe we can say that we won't extend
7 those certificates unless they agree to
8 turn this property over expeditiously,
9 and then, you know, we can say that, and
10 then you get what you want and with our
11 assurance that you are going to get--

12 MAYOR BARNES: Certainly if this
13 Commission took a position that the July
14 31st date, which is currently the date
15 that the certificates are supposed to
16 expire, that that date, in the event that
17 the deed over and what have you is not
18 made, then the certificates would not be
19 extended, that certainly would be
20 something that I would be prepared to
21 discuss with my team very, very quickly
22 and certainly suggest the possibility
23 that that might be agreeable.

1 DR. ROSS: Mr. Mayor, being working
2 in Gary, I'm really kind of embarrassed
3 in what is going on here, so I would like
4 to ask some questions--

5 MAYOR BARNES: I hope I'm not
6 embarrassing you, Mr. Commissioner.

7 DR. ROSS: -- to relieve me of this
8 embarrassment, because there must be some
9 reason behind what's being done. Because
10 what I see is that we have by month by
11 month withholding jobs from the City of
12 Gary; we have lost the impetus of being
13 the first boat in the water which was to
14 be of some pride, and I hear you say that
15 you only got one chip, and that is to
16 hold onto your suit.

17 So could you explain to me--

18 MAYOR BARNES: I'm not going to try
19 to explain it. If I have not explained
20 it already, Dr. Ross, to your
21 satisfaction then-- but let me just say
22 again what I said before. We have an
23 agreement that is signed by these parties

1 that indicate in order to protect the
2 city and protect the developers, that
3 there will be a simultaneous agreement
4 that we would sign over dismissing this
5 lawsuit with prejudice; that upon this
6 property being obtained, it would be
7 transferred over to the City of Gary and
8 leased back to the developers.

9 Now, there has been a suggestion of
10 a way that I certainly would be willing
11 to consider because it may lead to some
12 resolution, I don't know. I certainly
13 would undertake that, but I think some of
14 these characterizations that suggest that
15 the City of Gary, who is much more
16 concerned about the development than any
17 Commissioner or anyone else, or in this
18 entire audience that suggested in any way
19 that we would intentionally, and even to
20 the point of embarrassing you, you know,
21 that certainly is something that I would
22 take exception to. We are willing to do
23 whatever we can.

1 My team was up late at night
2 working, and trying to work with the
3 Trump organization on this matter. We
4 been doing that for weeks. I'm the one
5 that called and asked Mr. Trump to come
6 to Gary back a few weeks ago so that we
7 could meet again in order to work out
8 these agreements.

9 So, you know, I really think it's
10 unfortunate for you to be embarrassed.
11 I'm not embarrassed, and I hope that the
12 citizens of Gary are not embarrassed that
13 we attempt to represent their interests,
14 based on what we have and what we entered
15 into in terms of an agreement with these
16 developers.

17 Again, without continuing to go
18 through it where I'm debating this issue,
19 and I regret having to do that, but I
20 would not stand here and have this city
21 characterized as if all of the delays
22 that have occurred on this matter have
23 been a result of dilatory action or

1 incompetence or incapability or somehow
2 some unwillingness, if you will, to move
3 ahead on this matter. I can't accept
4 that, even from this Commission that I
5 hold in high esteem, and I certainly
6 appreciate all that you have done in the
7 past.

8 I'm willing to consider what you
9 talked about, Mr. Sundwick.

10 DR. ROSS: Can I finish my
11 question?

12 MAYOR BARNES: Well, you told me
13 your part before you even asked me that
14 hurt, offended me quite well.

15 DR. ROSS: Well, I don't feel bad
16 about an opinion--

17 MAYOR BARNES: I know you don't.

18 DR. ROSS: My question was: If you
19 lost the chip that you are holding, what
20 would you lose?

21 MS. BOCHNOWSKI: What do you need
22 protection from?

23 DR. ROSS: What do you need

1 protection from? It seems to me that you
2 and all--

3 MAYOR BARNES: Just one moment.
4 Just one moment.

5 DR. ROSS: Can I finish?

6 MAYOR BARNES: Are you suggesting
7 that something that we negotiated with in
8 good faith with these developers, that we
9 give it up because you don't understand
10 what the significance of this is?

11 DR. ROSS: I'm asking the
12 question. If I can understand the
13 question then I can understand why you
14 are doing this. Right now I don't know
15 that. The only thing I'm doing is
16 seeking information.

17 MAYOR BARNES: Mr. Commissioner,
18 have you read the agreement?

19 DR. ROSS: No, I have not.

20 MAYOR BARNES: Well, you need to
21 read it. I think it would be important
22 for you to do that.

23 CHAIRMAN KLINEMAN: Just a minute,

1 Mr. Mayor, I think Dr. Ross has a valid
2 point.

3 The idea that everything rises and
4 falls on your ability to hold onto this
5 lawsuit is really not correct. Because
6 you have all kinds of other agreements,
7 including the one that you say is
8 binding, on which you can take action if
9 you need to.

10 MAYOR BARNES: We don't want to
11 take action, Mr. Chairman, we want to get
12 a development going.

13 CHAIRMAN KLINEMAN: Right now you
14 are not moving forward as a result of the
15 word simultaneous. And the way you read
16 simultaneous would not be the way I would
17 read simultaneous. As I told you before,
18 from a physical standpoint it can't be
19 simultaneous. But that if you understand
20 that you must first deliver the
21 dismissal, that Lehigh can then deed the
22 property to the developers so the
23 developers can deed it to you, it can't

1 happen simultaneously. You have an
2 agreement that says that's what's going
3 to happen. That's all you can have.

4 And it's about time that some trust
5 get put into this situation in addition
6 to the language that you negotiate so
7 hard, it's about time-- as they say, a
8 contract is only good as the people who
9 sign it, and I think these developers
10 have indicated to you that they are very
11 interested in getting this project going,
12 and very interested in living up to their
13 agreements. They haven't indicated
14 anything to this Commission that would
15 indicate that they in any way have done
16 anything more than just try to move the
17 project.

18 And I'm not trying to be critical
19 of you. I think you are getting some bad
20 advice. I think some people are telling
21 you some things that just aren't
22 physically able to happen. There cannot
23 be a simultaneous transaction.

1 MAYOR BARNES: Well, let me just
2 share with you what I anticipated from
3 the negotiations that our attorneys did
4 with the attorneys for Trump
5 organization.

6 My understanding would be that once
7 a deed is prepared, that there would be a
8 simultaneous-- that another deed would be
9 prepared, deeding that property over to
10 the city, and that that deed would be
11 handed to the city at the same time we
12 handed them a dismissal. Now, that's my
13 understanding of the timing of how it
14 would be done.

15 CHAIRMAN KLINEMAN: We don't need
16 some advisors to tell you if I don't own
17 anything, I can't deed it to you. And if
18 the developers don't get the dismissal,
19 they can't get the property from Lehigh,
20 and therefore they can't give it to you.
21 So they can't hand you a deed.

22 MAYOR BARNES: I'm sure that the
23 owners understand as well what our

1 expectation is. I'm sure they have seen
2 the agreement just as the developers
3 have.

4 CHAIRMAN KLINEMAN: But they can't
5 dismiss, they can't go forward with the
6 dismissal hanging over there.

7 MAYOR BARNES: Well, Mr. Chairman,
8 and Commissioners, if there is a proposal
9 being suggested that has some
10 appreciation for the City of Gary, we are
11 certainly willing to take that into
12 account and try to see if we can resolve
13 this matter. But based on what I have
14 heard thus far, you have not indicated
15 anything that would suggest that.

16 MR. SUNDWICK: I would only point
17 out that if we miss this date, apparently
18 everybody in the excitement, is that the
19 city, the developers and citizens of Gary
20 have another quarter to wait to resolve
21 this, and I think that if everybody is
22 willing to give you those assurances, and
23 we have some folks in front of us that

1 can say, that in fact give those
2 assurances; if they don't execute those
3 assurances within the time frame, whether
4 it's the 31st or the 1st, you are looking
5 for assurances; not anything else--

6 MAYOR BARNES: Absolutely.

7 MR. SUNDWICK: Then we won't allow
8 them to go on. We won't give them that
9 answer. It seems to me-- I see them
10 shaking their head yes. Again, it seems
11 to me you would go along with that. I
12 mean, you want the extensions. I am
13 suggesting the fact that if they want the
14 extensions and they're willing to lease
15 the property over, the simultaneous goes
16 away. Because what's held over their
17 head is the fact that we won't extend
18 these agreements. It's contingent on the
19 agreements. Maybe they're going to have
20 to go down-- I don't know if it takes a
21 week or a week and a half, two weeks,
22 maybe four weeks. I don't think you're
23 worried about simultaneously, I think you

1 want some assurances. Go ahead.

2 MR. RIBIS: I think in all
3 fairness--

4 EXECUTIVE DIRECTOR THAR: Wait a
5 second. I'm going to interrupt you,
6 because I think a little bit of
7 background is appropriate at this point
8 in time to alleviate some of the fears
9 the Mayor has expressed with regard to
10 this Commission.

11 At the time the Certificate of
12 Suitability awardees were named December
13 9th, in the question and answer session
14 preceding that awarding, it was agreed,
15 and the Commission agreed, that the land,
16 regardless of how acquired, would be
17 turned over to the City of Gary and
18 become the property of the City of Gary.
19 In the Certificate of Suitability has
20 been a condition that always, that once
21 that land was acquired, that it would be
22 turned over to the City of Gary.

23 The extension of the Certificate of

1 Suitability today, which is the issue
2 before this Commission, contains those
3 same covenants. The point of the matter
4 very simply being, that the developers
5 get that property either through deed
6 from Lehigh because they negotiated for
7 sale, or deed from Gary, or lease from
8 Gary because they have got the
9 condemnation. If Gary does not own that
10 property, those Certificates of
11 Suitability are subject to revocation.
12 There is no need to say they have to
13 insert that. That protection has always
14 been there.

15 MAYOR BARNES: Well, I would like,
16 certainly, Mr. Executive Director, if the
17 suggestion is that these Certificates of
18 Suitability which exist now that last
19 until July the 31st, that in the event
20 that the terms of the transfer of the
21 property to the city and the lease back
22 are not completed by then, then of course
23 the Certificates of Suitability would not

1 be extended beyond that point.

2 EXECUTIVE DIRECTOR THAR: I don't
3 think the Commission would want to
4 function in that fashion for this
5 reason: Number one, it's a practical one
6 in that this Commission will probably not
7 meet in July.

8 The second one is a little more
9 this way: Those Certificates are more
10 conditioned on the fact that once they
11 get title, they have to turn it over to
12 you. In the event they don't, this
13 Commission will meet and discuss revoking
14 that Certificate of Suitability.

15 There have been so many time delays
16 that it becomes almost impossible to
17 build in a time thing based upon certain
18 things happening. So it's a matter of
19 whether or not this Commission chooses
20 today to extend it, and if so, for how
21 long. And then if that condition
22 happens, that they get title and they
23 refuse to turn it over, this Commission

1 would then act to revoke, because that's
2 already been a condition of the
3 Certificate of Suitability.

4 I would just add that to say where
5 we have been with regard to the
6 Certificate and this issue since December
7 9th of 1994.

8 CHAIRMAN KLINEMAN: I really do
9 appreciate that, Mr. Thar, because
10 truthfully I didn't think that the
11 Commission had focused on that aspect,
12 and maybe the Mayor hadn't either, or his
13 advisors, that the original conditioning
14 of that--

15 MAYOR BARNES: We are fully aware
16 that the terms of the Certificate of
17 Suitability include that provision.

18 CHAIRMAN KLINEMAN: So you know
19 that's almost an automatic.

20 MAYOR BARNES: Well, again, the
21 provisions that we suggested that was
22 raised just a moment ago, if in fact we
23 have a point where in fact the

1 Certificate of Suitability would not
2 extend beyond, if in fact that deed over
3 has not been done--

4 CHAIRMAN KLINEMAN: Let me just ask
5 this question: If you get title to the
6 property and lease it back to the
7 developers, the developers then have a
8 full right to file for all permits and to
9 utilize the property to build what they
10 need to build and so forth without any
11 reference to the city; I mean, they will
12 have the full control of the property;
13 will they not?

14 MAYOR BARNES: Certainly.

15 CHAIRMAN KLINEMAN: And full
16 control over whatever they lease.

17 MAYOR BARNES: Yes, they would.

18 CHAIRMAN KLINEMAN: Well, we're
19 then again back to a time problem. And I
20 hate to send you out to talk to your
21 advisors again, because you told me a few
22 minutes ago it would probably be
23 useless. Is that still your thought, or

1 would you like to talk to your people?

2 MAYOR BARNES: Well, again, I have
3 heard some comments that suggest an
4 understanding that the city is not going
5 to leave here and deed over property, or
6 rather a dismissal without having
7 assurances that we feel are adequate.
8 Certainly if there's some means that that
9 can be done, the suggestion was made
10 that-- but what I'm hearing is that
11 that's being pulled back by the
12 Commissioners; that there could be a set
13 time of which the Certificate of
14 Suitability would last, and if in fact
15 the deed over was not done within that
16 period of time--

17 CHAIRMAN KLINEMAN: Mayor, if you
18 would allow this thing to go forward, we
19 will continue-- we will extend the
20 Certificate probably past July 31st.
21 We're not probably going to be back
22 together again to take this matter up.
23 But, if in the event that something--

1 that you don't receive the deed within a
2 reasonable period of time, if you would
3 bring that to the attention of this
4 Commission which will be meeting in
5 September or so, we will then be in a
6 position to reconsider the extension. I
7 mean, we at anytime could reconsider the
8 extension and we will take it back up if
9 there is a problem. And I am not trying
10 to play time games with you, but this
11 Commission has worked very hard, as you
12 probably may have read, for the last few
13 weeks, and it's about time we took a
14 break, and so we intend to take a break.

15 MAYOR BARNES: Well, we certainly
16 would feel that if the Commission--
17 again, this is something that I would be
18 prepared to take back to the council;
19 representative of the gaming committee,
20 as well as others, that if in fact we
21 extended the Certificates for a set
22 period of time, such as September the
23 1st, and that would give us time to do

1 the agreements, to get the council to
2 pass on the lease and everything else,
3 and certainly it would be sufficient time
4 for the property then deeded to the
5 city. If that happens, if it has not
6 happened by September the 1st, then the
7 Commission-- their Certificate of
8 Suitability would expire at that time.

9 CHAIRMAN KLINEMAN: Or we could
10 take it back up. Are you telling me that
11 if we did something along those lines,
12 you would right now deliver the--

13 MAYOR BARNES: I would certainly
14 discuss that with the council
15 representatives here.

16 CHAIRMAN KLINEMAN: I'm going to
17 ask, in order to really resolve this
18 thing quickly, I'm going to ask some of
19 the people who are seated in the front
20 rows maybe to move or leave or something,
21 and I want to sit Gary down here, and the
22 developers over here, and see if we can't
23 work this thing out right here and now,

1 because we are so close, and it makes no
2 sense to go home without getting it
3 worked out. This Commission will sit
4 here while you work it out; okay?

5 So if you will get your advisors
6 and so forth, we will stand in--

7 EXECUTIVE DIRECTOR THAR: State of
8 suspended animation.

9 ... Laughter and applause.

10 CHAIRMAN KLINEMAN: Everybody get
11 out their latest draft of what was being
12 talked about in the hall and out in the
13 room, and maybe we can find out where we
14 are.

15 (AT 11:35 A.M., THERE WAS A RECESS
16 TAKEN, RECONVENING AT 11:50 A.M., AFTER
17 WHICH THE FOLLOWING PROCEEDINGS WERE
18 HAD:)

19 CHAIRMAN KLINEMAN: I think we will
20 come back to order.

21 Would you give us the gist of where
22 you are?

23 MAYOR BARNES: What we have agreed

1 to ask to the Trump organization is an
2 extension to, that we would agree to, if
3 the Commission extended, to September 1st
4 a Certificate of Suitability; that there
5 would be-- that the deed would be put in
6 escrow based on an escrow agreement that
7 we have already essentially outlined, and
8 an escrow agreement that also provides
9 for arbitration in the event that we are
10 unable to reach conclusion.

11 I think the thing that's most
12 significant in terms of what we are
13 saying, is that they would have to come
14 back, or come back here September the 1st
15 in order to get a further extension. And
16 if in fact the deed over and the lease
17 and everything has been done, which we
18 would fully expect it would be,
19 particularly with the terms of
20 arbitration, then we would not see a
21 problem in that regard.

22 In the event that has not happened,
23 then of course it would be the decision

1 of this Commission as to whether you
2 would extend it beyond September the 1st,
3 but we would oppose it probably at that
4 time if in fact that was not done.

5 MR. TABBERT: And you would in fact
6 submit then today now the Stipulation for
7 Dismissal?

8 MAYOR BARNES: In the event that
9 those conditions are agreed to, then
10 certainly those would be the conditions.

11 CHAIRMAN KLINEMAN: Is that yes, we
12 will get the dismissal today?

13 MR. TABBERT: We were-- I want to
14 express it very carefully. We were in
15 fact hoping for an extension to December
16 1st, but with a commitment that we come
17 back September 1st, on order of this
18 Commission that we return on September 1,
19 there is also a problem, Mr. Chairman of
20 the extension of the Corps. permit. The
21 application has to go in today. If it
22 doesn't, we get delayed 90 days on the
23 Corps. permit.

1 CHAIRMAN KLINEMAN: I think we have
2 heard that.

3 MR. TABBERT: Talking out loud, if
4 it were extended to December 1st with an
5 order of this Commission that we come
6 back, mandatory that we come back on
7 September 1st, on the lease--

8 MAYOR BARNES: That would not meet
9 the terms that we are suggesting.

10 CHAIRMAN KLINEMAN: As I told you
11 before, we are not intending to meet
12 between now and September 1st. That's
13 one of the problems I see. What about
14 the 30th of September rather than
15 September 1st, because that will give us
16 time to meet. We will meet in September
17 and consider the further extension.

18 MAYOR BARNES: The 30th of
19 September. We would extend the license
20 to the 30th of September, the Certificate
21 of Suitability.

22 EXECUTIVE DIRECTOR THAR: I can't
23 guarantee that we have a meeting date

1 between now and September 30th. The next
2 meeting is the meeting in East Chicago
3 and Hammond. It's set for when that date
4 occurs. By describing it as when the
5 Commission meets for this, that's going
6 to be the next full meeting of the
7 Commission.

8 MR. TABBERT: We are agreeable to
9 September 30th. Can you do it October
10 15th, Jack?

11 MAYOR BARNES: I will be very frank
12 with you, you know, we have talked about
13 this, I'm going against the wishes of my
14 counsel's suggestions right now. We
15 compromised on it and I have indicated
16 September 30th on my own here, and quite
17 frankly I'm not prepared to go beyond
18 that date with the Trump organization, I
19 will be very frank with you.

20 MR. SUNDWICK: We can have a full
21 meeting?

22 EXECUTIVE DIRECTOR THAR: Not on an
23 issue that-- you have seen how it went

1 today, Bob. I don't know if we can do
2 this on the phone.

3 MR. SUNDWICK: I see. I'm assuming
4 it's all going to be very happy by then.

5 EXECUTIVE DIRECTOR THAR: Hopefully
6 it would all be.

7 CHAIRMAN KLINEMAN: Things have
8 started to get happy on this transaction;
9 there is an awful lot of money to be at
10 risk and a lot of people having their
11 necks stuck out.

12 MR. TABBERT: We agree to September
13 30th. If all the other conditions are
14 correct, we agree to September 30th.

15 EXECUTIVE DIRECTOR THAR: It's
16 already been indicated; it's a matter of
17 us being able to get together.

18 MR. TABBERT: I know that, Jack, I
19 thought they agreed to September 30th.

20 MR. SUNDWICK: When do you have to
21 have this thing published? We're going
22 to have to have a lunch break here
23 subsequently and we could get our

1 calendars together, couldn't we, Jack?

2 EXECUTIVE DIRECTOR THAR: Yes, we
3 could.

4 MS. BOCHNOWSKI: You need it by
5 noon. You have less than 10 minutes.

6 MR. TABBERT: We think we can get
7 a couple more hours, an hour. We got
8 another hour we can call.

9 EXECUTIVE DIRECTOR THAR: I think
10 this Commission has done as much as it
11 can, with the urgency of the fact. It is
12 unfortunate to have form over substance.
13 If we have got to go to the certificates,
14 extend them if we want to extend them for
15 a period of time. It's always been a
16 condition if they got the property and
17 they didn't turn it over, it's a breach;
18 we can meet on emergency basis to take
19 that up. If there is no more trust in
20 this Commission than that--

21 CHAIRMAN KLINEMAN: Well, I must
22 agree with Mr. Thar, that we may not be
23 here before September 30th. On the other

1 hand, it is our intent to meet before
2 September 30th, we just have scheduling
3 problems, so I can't agree more with him,
4 that we can't really be put in a position
5 that we have to meet if our schedules
6 don't allow it. That's our problem. Now
7 we are going to meet either in September
8 or October for sure and so we really are
9 put in a position where we have got a
10 very few days that seem to be hanging
11 this thing up, and I know that this thing
12 is going to happen. I believe this thing
13 is going to happen in the next 30 days or
14 so, you know, I really do.

15 MAYOR BARNES: I believe it will.
16 I believe it will as well. And I'm
17 certainly hopeful that it will, but I
18 certainly hope that the Commission is--
19 the least of my intent is to put the
20 Commission in a position that it feels
21 uncomfortable with any action that it
22 takes, but we started on this seven,
23 eight years ago, and we're trying to wrap

1 some things up right now, and we have got
2 a developer here, the Trump organization
3 that agrees to take this position, all
4 that we're doing is out of the ordinary,
5 but we're willing, we're willing to do
6 that. We're willing to give up the
7 substantial right that we have. We are
8 saying September the 30th. And with all
9 of the other issues of trust and
10 everything else that we think our good
11 faith activities have involved already,
12 September the 30th is the last day that I
13 am in a position to agree with.

14 CHAIRMAN KLINEMAN: It's my
15 understanding that the dismissal itself
16 is in fact in existence and has been
17 signed; is that correct?

18 MR. RIBIS: They have it.

19 MR. TABBERT: Yes.

20 CHAIRMAN KLINEMAN: And can they
21 release it on the Mayor's and the
22 council's okay; is that correct, or is
23 there something that more needs to be

1 done?

2 MR. KING: It hasn't been signed
3 but it's in existence, though.

4 CHAIRMAN KLINEMAN: So you can
5 sign right now and hand it over.

6 MR. KING: Upon authority of the
7 Mayor I could, yes.

8 CHAIRMAN KLINEMAN: I am sorry?

9 MR. KING: Yes, upon the authority
10 of the Mayor, okay.

11 CHAIRMAN KLINEMAN: And we have the
12 Trump people saying that an extension to
13 September 30th is that which they are
14 requesting at this time; is that
15 correct?

16 MR. RIBIS: That's satisfactory.
17 And the escrow agreement and the
18 arbitration clause, that's all okay with
19 us.

20 CHAIRMAN KLINEMAN: Okay. I guess
21 I would like to hear--

22 MAYOR BARNES: Mr. Chairman, again
23 our comments here, I want to make it very

1 clear deal with the Trump organization at
2 this time. All these comments.

3 EXECUTIVE DIRECTOR THAR: What does
4 that mean? Could you elaborate on that,
5 please?

6 MAYOR BARNES: There shouldn't be
7 any elaboration, I would hope that this
8 is a matter that we have discussed with
9 relation to the Trump organization. We
10 do not have the same accord with the
11 Barden President at this particular
12 point.

13 CHAIRMAN KLINEMAN: Well, Trump is
14 actually the one that's going to take
15 title to the property. Barden is not
16 involved. They have a joint agreement,
17 but you understand fully that when they
18 take title to it, as soon as Barden puts
19 his money up, he comes in with them; you
20 understand that they have the same lease
21 and the same everything, whatever.

22 MAYOR BARNES: Well, we fully
23 understand that we have two boats and two

1 developers, and we want to make sure that
2 we obviously be in a position to
3 negotiate with them as well.

4 CHAIRMAN KLINEMAN: This is such an
5 opportunity, I can't imagine a better
6 opportunity that Gary has had in I don't
7 know how many years. I think I told you
8 one time I read an article in the paper
9 how a lot of gaming supply companies are
10 talking about maybe making Gary their
11 headquarters because they are going to
12 have a good couple customers there, and
13 with the other boats, Illinois and so
14 forth, it's a nice central location, good
15 interstates and all that kind of stuff,
16 you are going to have all these
17 opportunities that you and I can't
18 envision, and we have got to get this
19 thing moving; okay?

20 Do any of the Commissioners have
21 any comments; anybody want to make a
22 motion?

23 MS. BOCHNOWSKI: I just can't

1 understand this, because they can't have
2 a Certificate of Suitability; they cannot
3 have a license to operate unless you get
4 the property. This isn't even a problem;
5 this is not an issue.

6 MAYOR BARNES: I'm not sure what we
7 are still debating this, Ms.
8 Commissioner. We have indicated the
9 conditions under which we are prepared to
10 go forward.

11 MR. SUNDWICK: I would like to make
12 a motion that we extend the Trump
13 Certificate of Suitability until
14 September the 30th.

15 CHAIRMAN KLINEMAN: Is there a
16 second to that motion?

17 DR. ROSS: Do you want to add those
18 conditions?

19 MR. SUNDWICK: I don't know.

20 EXECUTIVE DIRECTOR THAR: It
21 wouldn't be necessary.

22 CHAIRMAN KLINEMAN: The
23 stipulations.

1 MAYOR BARNES: That's something we
2 have already agreed to.

3 MR. SUNDWICK: With that, I guess
4 my intent is for that period of time you
5 will in fact make an agreement, if not,
6 that we will be back here talking about
7 this again. As the Mayor said, we will
8 be looking for either revoking it or not
9 extending it or--

10 MAYOR BARNES: I'm not revoking but
11 not extending it, because it would
12 expire, to my understanding, on September
13 30.

14 CHAIRMAN KLINEMAN: Okay. Before
15 the Commission votes on this-- or
16 withdraw that.

17 Is there a second to the motion?

18 MR. MILCAREK: Can you live with
19 that?

20 MR. TABBERT: We can. We can live
21 with it.

22 CHAIRMAN KLINEMAN: Is there a
23 second?

1 DR. ROSS: I second that.

2 CHAIRMAN KLINEMAN: Dr. Ross
3 seconds it. Any discussion?

4 I guess of all of the things that
5 have gone on, Mayor, I would sort of like
6 to see the dismissal signed and sealed
7 right there so that when we do get this
8 we can just go over it; is that all
9 right?

10 MAYOR BARNES: We have our escrow
11 agreement.

12 CHAIRMAN KLINEMAN: Okay. So if
13 you would instruct your counsel to please
14 start signing, we can get that part out
15 of the way before we vote.

16 Since this morning's meeting has
17 run a little longer than we thought, I
18 think the Commission will not meet at
19 1:00 o'clock, but will come back at
20 1:30. So those of you who are interested
21 in that time frame, that's where we are
22 going to be.

23 Welcome back, Mr. Mayor.

1 MAYOR BARNES: Mr. Chairman, we are
2 prepared to submit these to the
3 Commission based on the understanding
4 that we have relative to vote that is now
5 on the boat.

6 CHAIRMAN KLINEMAN: All right. All
7 those in favor of the motion extending
8 the Certificate of Suitability for the
9 Trump organization to September 30, 1995,
10 say aye. All those opposed. Motion is
11 carried.

12 With your permission, Mayor, I will
13 deliver these papers to the Trump
14 organization.

15 ... Applause.

16 Thank you, Mr. Mayor.

17 We now again take up the question
18 of the extension for the Barden/PRC-Gary,
19 matter.

20 Is there a motion to extend that
21 Certificate of Suitability?

22 First maybe we should have a little
23 background. There is an indication that

1 Mr. Barden might want to-- I guess there
2 are two things. One is we would extend
3 the Certificate of Suitability for some
4 period of time. We would then be in a
5 position to consider whether or not Mr.
6 Barden is bringing someone new in or
7 whether or not the original group will
8 continue but with the equity having
9 transferred solely to Mr. Barden, with
10 the President group as the operator.

11 So I basically think we probably
12 ought to not extend this for six months
13 because we probably ought to have an
14 equal type report back sometime, maybe
15 September 30th is a good date, and would
16 that be a request on the Barden group
17 that we extend your Certificate of
18 Suitability to September 30, 1995?

19 MR. BARDEN: Fine.

20 CHAIRMAN KLINEMAN: Mr. Barden says
21 it's fine. Okay.

22 Is there a motion to that effect?

23 EXECUTIVE DIRECTOR THAR: One point

1 if I may, Mr. Chairman. There was also
2 the letter request from President, to
3 transfer its interest to Barden.

4 Does the Commission want to defer
5 action on that? Or the other problem is,
6 to what extent will Mr. Barden be able to
7 go out and deal with other people if he
8 does not have complete interest.

9 Do you have a comment? I wonder if
10 Mr. Ellers or Mr. Barden would have a
11 comment on that aspect.

12 I bring it up for this point: We
13 have previously done a background, et
14 cetera check with regard to Mr. Barden
15 and he's been found suitable. There's
16 been nothing that has come to staff's
17 mind. The staff records would show that
18 he is suitable. Secondly, he has sold
19 his company; had the 800 million in cash,
20 and represents that 30 million of that is
21 available for this project. It's a
22 question of whether or not the Commission
23 wants to deal with that issue today or

1 defer it.

2 MR. BARDEN: Mr. Chairman, I might
3 request, in order to continue the project
4 and the development and take charge
5 immediately, I would request two things:
6 Extension to September 30th; I don't have
7 a problem with that, and also to accept
8 the letter request that President sent
9 you requesting withdrawal and the turning
10 over of the equity to me.

11 CHAIRMAN KLINEMAN: You do want us
12 to approve the turnover?

13 MR. BARDEN: Yes.

14 CHAIRMAN KLINEMAN: Well, let's see
15 if we can have a motion to extend the
16 Certificate of Suitability to September
17 30, 1995, and to approve the transfer of
18 the President's interest to Mr. Barden,
19 and I think it's 42 1/2 percent; is that
20 the correct amount? So that at the
21 conclusion if that's approved, at the
22 conclusion Mr. Barden would own 85
23 percent if my math is correct.

1 MR. SUNDWICK: I so make that
2 motion.

3 CHAIRMAN KLINEMAN: Is there a
4 second?

5 MR. VOWELS: Second.

6 CHAIRMAN KLINEMAN: Seconded by Mr.
7 Vowels. Any further discussion?

8 EXECUTIVE DIRECTOR THAR: Just a
9 point of clarification. Is that one
10 motion, one resolution for two subject
11 matters?

12 CHAIRMAN KLINEMAN: Is that a
13 violation?

14 EXECUTIVE DIRECTOR THAR: I don't
15 have any idea.

16 ... Laughter.

17 Just wanted to know.

18 CHAIRMAN KLINEMAN: Well, let's go
19 with the two in one.

20 Okay. Any further discussion?
21 Hearing none, all those in favor say aye.
22 Contrary. The ayes have it, and that
23 resolution is approved.

1 I guess now we have come upon the
2 recess time, and we will recess until
3 1:45. Thank you all for working this
4 problem out.

5
6 ... At 12:15 p.m., the proceedings
7 recessed, to be continued at 1:45 p.m.

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